

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In Re:

BIG LOTS, INC., *et al.*,

Debtors.¹

Chapter 11

Case No.: 24-11967 (JKS)

(Jointly Administered)

Objection Deadline: February 12, 2025 at 4:00 p.m. (ET)

Hearing Date: February 26, 2025 at 10:30 a.m. (ET)

**MOTION OF HOME CREATIONS INC. FOR ALLOWANCE AND PAYMENT OF
ADMINISTRATIVE EXPENSE CLAIM UNDER 11 U.S.C. § 503(b)(1)(A)**

Home Creations Inc.² (“**HCI**”), by and through its undersigned counsel, submits this Motion for Allowance and Payment of Administrative Expense Claim Pursuant to 11 U.S.C § 503(b)(1)(A) (the “**Motion**”) for amounts owed by Big Lots, Inc., *et al.* (the “**Debtors**”) pursuant to section 503(b) of title 11 of the United States Code (the “**Bankruptcy Code**”) for \$1,474,964 U.S.D. (the “**Administrative Expense Claim**”) for goods provided as set forth below in the above-captioned Chapter 11 bankruptcy cases. HCI seeks an order allowing its Administrative Expense Claim and requiring payment thereof be made within seven (7) days of entry of the proposed order. In support thereof, HCI respectfully states the following:

JURISDICTION AND VENUE

1. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334(b). Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b).

2. The statutory predicates for the relief requested are 11 U.S.C. §§ 105, 503(a), 503(b) and 507(a)(2).

¹ The debtors and debtors in possession in these chapter 11 cases (hereafter, “Debtors”) are as follows: Great Basin, LLC (6158); Big Lots, Inc. (9097); Big Lots Management, LLC (7948); Consolidated Property Holdings, LLC (0984); Broyhill LLC (7868); Big Lots Stores - PNS, LLC (5262); Big Lots Stores, LLC (6811); BLBO Tenant, LLC (0552); Big Lots Stores - CSR, LLC (6182); CSC Distribution LLC (8785); Closeout Distribution, LLC (0309); Durant DC, LLC (2033); AVDC, LLC (3400); GAFDC LLC (8673); PAFDC LLC (2377); WAFDC, LLC (6163); INFDC, LLC (2820); Big Lots eCommerce LLC (9612); and Big Lots F&S, LLC (3277).

² Creditor is Home Creations Inc. c/o Cross-Border Counselor, LLP.

3. Pursuant to Del. Bankr. L.R. 9013-1(f), HCI consents to the entry of final orders or judgments by the Court if it is determined that the Court, absent consent of the parties, cannot otherwise enter final orders or judgments consistent with Article III of the United States Constitution.

BACKGROUND

4. On September 9, 2024 (the “**Petition Date**”), each of the Debtors filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code (the “**Bankruptcy Code**”),

5. The Debtors’ Chapter 11 cases have been jointly administrated for procedural purposes, and the Debtors are operating their businesses as debtors in possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code.

6. HCI and the Debtors are parties and subject to a series of Purchase Orders (together with all amendments, exhibits, schedules, attachments and other integrated documents, the “**Agreement**”).

7. The Debtors placed orders for goods from HCI which have been delivered and have not been paid for. Specifically, HCI received and fulfilled post-petition purchase orders from the Debtors in the ordinary course of business, but the Debtors breached their obligations and have not paid for such goods as summarized below.

8. HCI delivered goods with a purchase price and value of no less than \$1,474,964 to the Debtors in the normal course of business post-petition for which payment is now overdue and remains outstanding. A summary of account and individual invoices for post-petition amounts owed by the Debtors to HCI is attached to the supporting Declaration of Yuan Huang (“**Huang Decl.**”) as **Exhibit A**.

9. As of the filing of this Motion, the Debtors owe a total of \$1,474,964 to HCI on account of these post-petition goods provided to the Debtors since the Petition Date (the “**Post-Petition Goods**”). Therefore, HCI seeks allowance and immediate payment of its Administrative

Expense Claim in the total amount of \$1,474,964. See Post-Petition Goods Summary Tabulation, below.

Post-Petition Goods Summary Tabulation

Invoice Number	Customer Name	Supplier Reference	Invoice Date	Invoice Value	Payment Due Date	PO NO
S202410230015	Big Lots Stores LLC	5005944	2024-11-18	\$11,277.00	2024-12-20	95642972
S202410230013	Big Lots Stores LLC	5005944	2024-11-18	\$11,277.00	2024-12-20	95602143
S202410230014	Big Lots Stores LLC	5005944	2024-11-18	\$22,554.00	2024-12-20	95642973
S202410280005	Big Lots Stores LLC	5005944	2024-11-18	\$25,735.50	2024-12-20	95602142
S202410250011	Big Lots Stores LLC	5005944	2024-11-18	\$12,883.50	2024-12-20	95602141
S202410230012	Big Lots Stores LLC	5005944	2024-11-18	\$24,223.50	2024-12-20	95602142
S202411120001	Big Lots Stores LLC	5005944	2024-11-19	\$12,883.50	2024-12-20	95602141
S202410230022	Big Lots Stores LLC	5005944	2024-11-21	\$22,554.00	2024-12-20	95602151
S202410230021	Big Lots Stores LLC	5005944	2024-11-21	\$38,745.00	2024-12-20	95602150
S202410280001	Big Lots Stores LLC	5005944	2024-11-22	\$36,981.00	2024-12-20	95602150
S202410230009	Big Lots Stores LLC	5005944	2024-11-18	\$33,374.00	2024-12-20	95588248
S202410230011	Big Lots Stores LLC	5005944	2024-11-22	\$12,883.50	2024-12-20	95602141
S202410230020	Big Lots Stores LLC	5005944	2024-11-21	\$51,502.50	2024-12-20	95602149
S202410230025	Big Lots Stores LLC	5005944	2024-11-22	\$62,775.00	2024-12-20	95573222
S202410230010	Big Lots Stores LLC	5005944	2024-11-26	\$44,366.00	2024-12-27	95578601
S202410230023	Big Lots Stores LLC	5005944	2024-11-26	\$20,734.00	2024-12-27	95642947
S202411060017-01	Big Lots Stores LLC	5005944	2024-11-28	\$3,080.00	2024-12-27	95575145
S202411060017-02	Big Lots Stores LLC	5005944	2024-11-28	\$12,816.00	2024-12-27	95637664
S202410230029	Big Lots Stores LLC	5005944	2024-11-27	\$34,380.00	2024-12-27	95647144
S202410230027	Big Lots Stores LLC	5005944	2024-11-27	\$41,850.00	2024-12-27	95573224
S202410230028	Big Lots Stores LLC	5005944	2024-11-27	\$20,925.00	2024-12-27	95642943
S202410230024	Big Lots Stores LLC	5005944	2024-11-27	\$55,632.00	2024-12-27	95578600
S202411060015	Big Lots Stores LLC	5005944	2024-11-26	\$18,480.00	2024-12-27	95575145
S202411060016	Big Lots Stores LLC	5005944	2024-11-26	\$18,480.00	2024-12-27	95575145
S202411060013	Big Lots Stores LLC	5005944	2024-11-26	\$18,480.00	2024-12-27	95575146
S202410230017	Big Lots Stores LLC	5005944	2024-11-26	\$55,440.00	2024-12-27	95575146
S202410230008	Big Lots Stores LLC	5005944	2024-11-26	\$66,102.00	2024-12-27	95578599
S202410230026	Big Lots Stores LLC	5005944	2024-12-5	\$125,550.00	2025-1-3	95573223
S202411150001	Big Lots Stores LLC	5005944	2024-12-10	\$89,320.00	2025-1-10	95575145
S202410230016	Big Lots Stores LLC	5005944	2024-12-10	\$36,960.00	2025-1-10	95575145
S202410230019	Big Lots Stores LLC	5005944	2024-12-10	\$107,360.00	2025-1-10	95642946
S202410230018	Big Lots Stores LLC	5005944	2024-12-10	\$110,880.00	2025-1-10	95575147
S202411150004	Big Lots Stores LLC	5005944	2024-12-10	\$73,920.00	2025-1-10	95575146
S202411150003	Big Lots Stores LLC	5005944	2024-12-10	\$55,440.00	2025-1-10	95575146
S202410250010	Big Lots Stores LLC	5005944	2024-12-10	\$34,048.00	2025-1-10	95578611
S202410250008	Big Lots Stores LLC	5005944	2024-12-10	\$51,072.00	2025-1-10	95578605
			Total Amount	\$1,474,964.00		

RELIEF REQUESTED

10. By this Motion, HCI requests that the Court enter an Order, pursuant to Section 503(b)(1)(A) of the Bankruptcy Code, granting it an allowed administrative expense claim in the total amount of no less than \$1,474,964, and requiring that the Debtors remit immediate payment of the Administrative Expense Claim to HCI no more than seven (7) days after entry of the Order allowing the Administrative Expense Claim.

BASIS FOR RELIEF

11. Section 503 of the Bankruptcy Code provides, in pertinent part:

(b) After notice and a hearing, there shall be allowed administrative expenses, other than claims allowed under section 502(f) of this title, including - (1)(A) the actual, necessary costs and expenses of preserving the estate

11 U.S.C. § 503(b)(1)(A).

12. Pursuant to 11 U.S.C. §503(b)(1)(A), creditors are allowed administrative expense claims, including the “actual, necessary costs and expenses of preserving the estate” after a notice and hearing. In Order for a claim to be given priority as an administrative claim, “it must be (1) a cost or expense that is (2) actual and necessary to (3) preserving the estate.” *Pa. Dep’t of Env’tl Res. v. TriState Clinical Labs, Inc.*, 178 F.3d 685,689 (3d Cir. 1999) (internal quotations are omitted). The U.S. Supreme Court noted that “‘actual and necessary costs’ should include costs ordinarily incident to operation of a business, and [are] not limited to costs without which rehabilitation would be impossible.” *Reading Co. v. Brown*, 391 U.S. 471,483 (1968). An “actual or necessary cost” is one that has conferred a benefit upon the bankruptcy estate and was necessary to preserve the value of the estate assets. *Calpine Corp. v. O’Brien Env’tl. Energy, Inc. (In re O’Brien Env’tl. Energy, Inc.)*, 181 F.3d 527, 533 (3d Cir. 1999); *Matter of H.L.S. Energy Co.*, 151 F.3d 434, 437 (5th Cir. 1998) (“The ‘benefit’ requirement has no independent basis in the Code, however, but is merely a way of testing whether a particular expense was truly ‘necessary’ to the estate”); *see also* 4 COLLIER ON BANKRUPTCY, ¶ 503.06[1] (Richard Levin & Henry J. Sommer eds., 16th ed.).

13. Determining whether a creditor has an administrative claim is a two-prong test. First, the claimant must show either that the debtor in possession incurred the transaction on which the claim is based or that the claimant furnished the consideration to the debtor in possession. Second, it must show that the transaction resulted in a direct benefit to the debtor in possession. *In re Harnischfeger Indus., Inc.*, 293 B.R. 650, 659 (Bankr. D. Del. 2003); *see also In re O’Brien Env’tl. Energy, Inc.*, 181 F.3d at 532-33. “To establish an administrative claim, a claimant must show that

(1) there was a post-petition transaction between the claimant and the estate, and (2) those expenses yielded a benefit to the estate.” *In re Mallinckrodt PLC*, 20-12522 JTD, 2021 WL 4876908 at *6 (Bankr. D. Del. Oct. 19, 2021).

14. The underlying purpose behind Section 503 is that for a reorganization to succeed, “creditors that are asked to extend credit after the petition is filed must be given priority so they will be moved to furnish the necessary credit to enable the debtor to function.” *In the Matter of Jartran, Inc.*, 732 F.2d 584, 586 (7th Cir. 1984) (citing *In re Mammoth Mart, Inc.*, 536 F.2d 950, 954 (1st Cir. 1976)); 4 COLLIER ON BANKRUPTCY, 503.06[3][a] (Richard Levin & Henry J. Sommer eds., 16th ed.).

15. In this case, the Post-Petition Goods benefited the estate by permitting the Debtors to continue conducting post-petition business functions and sales in their ordinary course business operations. The amounts sought pursuant to this Motion were incurred by the Debtors subsequent to the Petition Date as actual, necessary costs and expenses of preserving the Debtors’ estates. Therefore, the amounts due under the Agreement should be accorded administrative expense status pursuant to 11 U.S.C. § 503(b)(1)(A).

16. The Court should further compel payment to HCI within seven (7) days of the entry of an Order as HCI will continue to suffer irreparable harm of diminishing returns based on delays and the consumption of assets by professional fees. *See In re Garden Ridge Corp.*, 323 B.R. 136, 143 (Bankr. D. Del. 2005). The “requirement of paying administrative claims ‘on the effective date of the plan’ has been interpreted [by courts] as setting an outside limit, with nothing preventing a court from authorizing the payment of an administrative-expense claim earlier than the effective date of the debtor’s plan of reorganization.” *In re Arts Dairy, LLC*, 414 B.R. 219, 221 (Bankr. N.D. Ohio 2009); *In re HQ Global Holdings, Inc.*, 282 B.R. 169, 173 (Bankr. D. Del. 2002).

RESERVATION OF RIGHTS

17. HCI reserves the right to amend this Motion and does not waive any rights related to the Administrative Expense Claim or the matters herein including, but not limited to, asserting all amounts owed, as applicable, and all rights, claims, defenses, offsets, and remedies at law and equity under the Bankruptcy Code and applicable non-bankruptcy law.

WHEREFORE, HCI respectfully requests that the Court enter an Order in substantial conformity with the Proposed Form of Order attached hereto as **Exhibit B** (i) directing the immediate payment of HCI's Administrative Expense Claim for \$1,474,964.00 and (ii) for such additional relief as the Court may deem appropriate.

Dated: January 28, 2025
Wilmington, Delaware

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